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INTRODUCTION

The Office of Internal Audit Services performed an audit of Wexford County Regional Accounting Unit (RAU) for the period June 1, 2007 through May 31, 2008. The objectives of our audit were to determine if internal controls in place at the RAU provide reasonable assurance that departmental assets are safeguarded, transactions are properly recorded on a timely basis, and policies and procedures of the Department of Human Services (DHS) are being followed. The RAU had 4 full-time equated positions (FTE's), at the time of our review.

SCOPE

Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We obtained descriptions of significant systems operating at the RAU and evaluated controls in each system. We tested the systems for compliance, where feasible. We included the following systems:

Cash Receipts	Cash Disbursements
Safe and Controlled Documents	Modified Accrual Basis Balance Sheet
CIMS/ASSIST/LASR	Direct Support Services
General Ledger	

EXECUTIVE SUMMARY

Based on our audit, we conclude that the Wexford County RAU internal controls were generally adequate to provide management with reasonable assurance that assets are safeguarded and transactions are executed in accordance with management's authorization. We found no instances of noncompliance with policies and procedures for Cash Disbursements, Safe and Controlled Documents, Modified Accrual Basis Balance Sheet, or Direct Support Services. However, we noted instances of

noncompliance with policies and procedures in other areas, which are detailed in the findings and recommendations that follow.

LOCAL OFFICE RESPONSE

The management of the Wexford County RAU has reviewed all findings and recommendations in this report. They indicated in a memo dated September 9, 2008 that they are in general agreement with the report and have implemented corrective action for all findings.

FINDINGS AND RECOMMENDATIONS

Cash Receipts

Returned Warrants

1. Wexford County RAU does not follow established procedures for the disposition of state warrants received at the local office.

A review of the Daily Record and Disposition of Checks/Warrants/EBT Cards (DHS-61) for the period June 16, 2008 to June 30, 2008 disclosed five warrants recorded on the logs. One of these warrants was not disposed of within ten working days. The warrant was recorded on the DHS-61 on June 16, 2008 and had not been disposed of as of July 7, 2008.

WE RECOMMEND Wexford County RAU dispose of all state warrants received at the local office within ten days as required by Accounting Manual 462.

CIMS/ASSIST/LASR Security

Security Officers Log Report (LR-853)

Wexford County RAU did not have staff reconcile the LASR Security Officer Log (LR-853) report with the LASR Security Access Request (LR-84). Internal Control Criteria for Local Offices requires a complete reconciliation of the LASR Security Officer's Log Report (LR-853) with the LASR Security Access Request (LR-84).

WE RECOMMEND that Wexford County RAU have staff reconcile the LASR Security Officer Log Report (LR-853) with the LASR Security Access Request (LR-84).

General Ledger

Outstanding Checks

3. Wexford County RAU had four checks on the outstanding checklist that were over six months old. Accounting Manual Item 405 states that checks over six months old are to be voided and the bank balance adjusted.

WE RECOMMEND that Wexford County RAU void stale dated checks and adjust the bank balance according to the Accounting Manual.